

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
June 20, 2006
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Leonard W. Jones, CPA, President; Arthur M. Winstead, Jr., CPA, Vice President; Jordan C. Harris, Jr., Secretary-Treasurer; Norwood G. Clark, Jr., CPA; Tyrone Y. Cox, CPA; Thurman L. Gause; and Michael C. Jordan, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy Director; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; Buck Winslow, Manager-Licensing; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Tom Chenoweth, CPA, Highland Publishing Company; and Curt Lee, Past President, NCSA.

CALL TO ORDER: President Jones called the meeting to order at 10:08 a.m.

MINUTES: The minutes of the May 18, 2006, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The financial statements for May 2006 were accepted as submitted.

Messrs. Cox and Clark moved to approve discontinuing the sale of all lists and labels of licensees and Uniform CPA Examination candidates. Motion passed with seven (7) affirmative and zero (0) negative votes. Income to date on the sale of lists and labels is \$4,145.00, thus requiring a reduction in the 2006-2007 operating budget revenue of \$8,355.00.

NATIONAL ORGANIZATION ITEMS: Messrs. Jones and Clark reported on their attendance at the AICPA Spring Council Meeting held May 21-23, 2006, in Salt Lake City, UT.

Mr. Cox reported on his attendance at the NASBA Western Regional Meeting held May 31-June 2, 2006, in San Francisco, CA.

STATE AND LOCAL ORGANIZATION ITEMS: Mr. Ahler extended an invitation to the Board members, Executive Staff, and Legal Counsel to attend the NCACPA's 2006 CPA Inauguration to be held July 12, 2006, in Greensboro, NC.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Winstead moved and the Board approved the following recommendations of the Committee:

200603-032 - Approve a Notice of Hearing for September 18, 2006, at 10:00 a.m.
200601-005 and 200601-006 - Approve a Notice of Hearing for October 23, 2006, at 10:00 a.m.
200503-028 - James Michael Teal - Approve the signed Consent Order (Appendix I).

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE:
Mr. Cox moved and the Board approved the following recommendations of the Committee:

Reciprocal Certificate Applications - The following were approved:

Di-An T. Green
Raghavan Jagannathan Iyengar

Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Darlana J. Armpriester T3598	Leslie Anne Coolidge T3633
Celeste R. Garcia T3599	Aline Theriot Ventura T3634
Kellie Michelle Smith T3600	Robert Frederick Enticott T3635
William Gregory Stiehl T3601	Terri Ann Simmons T3636
Delano McGlenn White Jr. T3602	Levonina Boone Reese T3637
Benjamin James Dilks T3628	Lisa Thompson Dickinson T3638
Craig B. Puno T3629	Kristin E. Spiess T3639
Carol Land McCrary T3630	Mark Lawrence Foster T3640
Matthew Barr T3631	Michelle L. Pierce T3641
Clyde A. Cornett T3632	

Firm Registrations - The following professional corporations, professional limited liability companies, and limited liability partnerships were approved by the Executive Director and ratified by the Board:

LESLIE ANDERSON, CPA, P.C.
GUINN, SMITH & CO., INC.
KRENTZMAN & WILSON, INC.
Michael Ladd, CPA, PA
Mohler, Nixon & Williams Corporation
MOORE STEPHENS LOVELACE, P.A.
P.F. Sipe Corporation
Mary M. White, CPA, PLLC

Reclassifications - The Committee approved the following requests for retired status because the individuals are completely retired and do not receive any earned compensation for current personal services in any job whatsoever:

Gary Scott Cline #15170
Harris Wanza Hortman #12625
Robert O. Hurry #2200

James Marvin Oakes #21836
William A. Prosser III #15686
Ernest O. Wood #5068

CPE Matters

Staff reviewed and recommended the approval of the ethics courses from the organizations listed below. The Committee approved staff recommendation and Messrs. Cox and Gause moved to approve the courses listed below.

"North Carolina Ethics" by Accountants Education Group
"Ethics and Professional Conduct for North Carolina CPAs" by Western CPE
"Professional Ethics and Conduct for North Carolina CPAs" by Leveraged Logic

Motion passed.

Staff reviewed and recommended disapproval of a request from Norborne G. Smith Jr. (#861) for exemption from 21 NCAC 08G .0409(c), which requires at least 8 hours of non self-study each year. The Committee disapproved his request.

Extension Requests - The Committee approved Mitchell Chandler Kane (#15755) for extension for completion of CPE until June 20, 2006.

The following extension requests were disapproved:

Laura G. Kennerly #17035
Kathy Luke #31176

Firm Renewal and Peer Review Matters - The firms listed below submitted a renewal or termination notice more than 60 days but less than 120 days after the deadline. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation:

Daniel Fowler CPA #28105
Martha H. Newsom CPA #20621


CLOSED SESSION: Messrs. Jordan and Gause moved to enter Closed Session with Executive Staff and Legal Counsel to discuss legal matters. Motion passed.

PUBLIC SESSION: Messrs. Winstead and Harris moved to re-enter Public Session to continue with the Agenda. Motion passed.

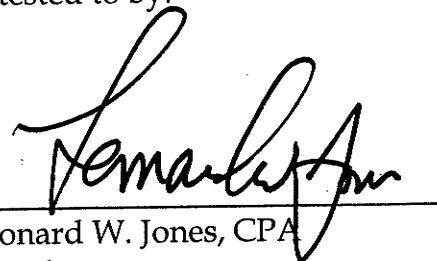
ADJOURNMENT: Messrs. Jordan and Cox moved to adjourn the meeting at 11:48 a.m. Motion passed.

Respectfully submitted:

Attested to by:



Robert N. Brooks
Executive Director



Leonard W. Jones, CPA
President

NORTH CAROLINA
WAKE COUNTY

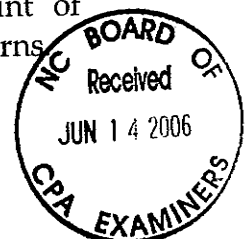
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200503-028

IN THE MATTER OF:
James Michael Teal, #12797
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent was the holder of North Carolina certificate number 12797 as a Certified Public Accountant.
2. Respondent prepared federal individual income tax returns for a client for the tax years 1995 through 2003.
3. In April of 2000, Respondent replied to this client's question about the status of the client's 1999 tax return that Respondent had "filed for an extension."
4. In April of 2001, Respondent replied to this client's question about the status of the client's 2000 tax return that Respondent had "filed for an extension."
5. In April of 2002, Respondent replied this client's question about the status of the client's 2001 tax return that Respondent had "filed for an extension."
6. In 2003, Respondent replied to this client's question about the status of the client's 2002 tax return that Respondent had gotten this client "in a crack" and that the Internal Revenue Service (IRS) had "no record" of this client. Respondent also told this client that Respondent had put another client in a similar situation.
7. In April of 2004, Respondent completed and submitted to the IRS this client's 1999 federal individual income tax return.
8. In June of 2004, Respondent completed and submitted to the IRS this client's 2000, 2001, 2002, and 2003 federal individual income tax returns.
9. This client incurred penalties and late payment fees in the amount of \$2,311.24 from the late filings of these federal individual income tax returns.



10. This client brought suit against Respondent. Ultimately, pursuant to a North Carolina District Court ordered arbitration, Respondent was ordered to pay this client \$2,352.02 on May 4, 2005.
11. In June of 2005, Respondent paid this client the arbitration award.
12. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12 (9)e and 21 NCAC 8N .0212.

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent is censured.

CONSENTED TO THIS THE 7th DAY OF June, 2006.

James Michael Teal
Respondent

APPROVED BY THE BOARD THIS THE 20 DAY OF June, 2006.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BOARD
SEAL

BY: Thomas H. Jones
President

